

INITIAL DISCUSSION PAPER

Proposed Revisions to Compliance Policy and Procedures Manual

Chapter 9 (Miscellaneous)

Issue

Should proposed revisions to Chapter 9, *Miscellaneous*, be incorporated into the Compliance Policy and Procedures Manual?

Background

The Compliance Policy and Procedures Manual (CPPM) is the State Board of Equalization's (Board) guide for compliance functions including taxpayer registration, account maintenance, close-outs and clearances, and collections. The chapters contained within the CPPM incorporate procedures and techniques that have evolved over the years and have proven to be sound and practical. Board employees are required to follow these procedures to ensure fair and uniform treatment of taxpayers.

CPPM Chapter 9 was last revised in October 1996. New revisions proposed for the chapter include:

- Incorporation of policy and procedural changes that have been implemented since the last revision.

- Incorporation of information on changes in processing work resulting from changes in technology.

- Incorporation of non-substantive changes in grammar and format.

The proposed revisions to CPPM Chapter 9 are shown in Exhibit 1 and summarized below. Discussion of the proposed revisions to Chapter 9 is scheduled for the Business Taxes Committee meeting on November 28, 2001.

The proposed revisions to Chapter 9, *Miscellaneous*, of the CPPM that are recommended for adoption by the Business Taxes Committee will reflect Board-wide policy. Therefore, other departments will implement the proposed revisions adopted by the Board unless program-specific statutes, regulations, procedures, or Board decisions take precedence.

Discussion of Non-Substantive Changes

Many of the changes are non-substantive. These include a change in references from "pamphlets" to "publications," a change in the prefix of forms from "BT" to "BOE," a change in the name and number of forms due to revisions, and information on changes to the registration system due to new technology. Also, due to reorganizations, unit name changes have been made.

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Discussion of Substantive Changes

Substantive changes have been made to the following sections:

CPPM 901.000-901.060, Local Taxing Jurisdiction Review of Board Record. This section was added to the CPPM to incorporate Operations Memo No. 1043, *Guidelines for the Release of Confidential Taxpayer Information for Review by Local Taxing Jurisdictions and Their Consultants*. Revenue and Taxation Code Section 7056 (b) provides that when requested by resolution of the legislative body of any county, city and county, city, or district, the Board shall permit any duly authorized officer or employee of the county, city and county, city, or district, or other person designated by that resolution, to examine all of the sales or transactions and use tax records of the Board pertaining to sales or transactions and use taxes collected for the county, city and county, city, or district by the Board pursuant to contract entered into between the Board and the county, city and county, city, or district under the Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 commencing with Section 7200) or the Transactions and Use Tax Law (Part 1.6 commencing with Section 7251).

CPPM 905.000-905-060, Process for Reviewing Local Tax Reallocation Inquiries. These sections have been moved from CPPM Chapter 1 section 160.000. These sections have also been updated to incorporate information contained in the Special Notice to City, Town, and County Officials and Consultants dated September 1998. The steps for handling questions related to reallocation requests that have been denied were simplified. The new procedures also specify that when a local jurisdiction files a *Petition for Reallocation*, the jurisdiction must state the specific grounds on which the appeal is based.

CPPM 930.025, Taiwan Diplomats Tax Exemption Cards. This section was added to the CPPM to incorporate Operations Memo No. 942, *Sales Tax Exemption for Taiwan Diplomats*. Sales or use tax does not apply to the sale or use of personal property sold to Taiwan diplomats holding a tax exemption card, to the level of exemption stated on the card.

Summary

This chapter incorporates all those processes and procedures for which there is no other appropriate placement within the CPPM. It describes the processes and procedures used for local taxing jurisdictions' review of Board records, Board account folder destruction, tax exemptions provided to foreign diplomats, and information regarding other state and local business licensing requirements.

Interested parties are invited to comment on staff's proposed revisions, suggest other revisions, and participate in the interested parties meetings scheduled for August 9, 2001 and September 20, 2001 in Sacramento.

Prepared by the Program Planning Division, Sales and Use Tax Department

Current as of 07/20/01

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Compliance Policy and Procedures Manual

Chapter 9

Miscellaneous



Sales and Use Tax Department
California State
Board of Equalization

This is an advisory publication providing direction to staff administering the Sales and Use Tax Law and Regulations. Although this material is revised periodically, the most current material may be contained in other resources including Operations Memoranda and Policy Memoranda.

Please contact any board office if there are concerns regarding any section of this publication.

MISCELLANEOUS

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MISCELLANEOUS

CHAPTER IX

MISCELLANEOUS

900.000

LOCAL TAXING JURISDICTION REVIEW OF BOARD RECORDS

901.000

BACKGROUND

901.010

Revenue and Taxation Code Section 7056 (b) allows local taxing jurisdiction(s) (LTJ) and special taxing jurisdiction(s) (STJ) representative(s) to view confidential taxpayer file information pertaining to their LTJ or STJ under specific circumstances. Primarily, the governing board of the jurisdiction must adopt a resolution authorizing an individual or individuals to view confidential material. The resolution must also contain language restricting the use of the acquired information to governmental purposes.

RESOLUTIONS

901.020

The Local Revenue Allocation Section (LRAS) is responsible for determining whether a particular jurisdiction has adopted a valid resolution authorizing their employees and/or consultants to view confidential taxpayer records pursuant to RTC Section 7056. Jurisdiction representatives and consultants may only inspect file information for taxpayers of the jurisdiction they represent. For example, a jurisdiction representative/consultant authorized by a resolution adopted by the City of Sacramento shall only be given access to file information on taxpayers with retail sales locations in, or local tax allocated to, the City of Sacramento. In addition, a representative/consultant may review the file of a taxpayer reporting tax to the jurisdiction's countywide pool and/or statewide pool. Representatives/consultants of STJs are NOT authorized to view countywide or statewide pool data.

The Refunds Section and district offices should verify with LRAS that representatives/consultants are authorized by a valid resolution prior to allowing them access to confidential file information. This verification may be done by telephone. If LRAS does not have a copy of a valid resolution on file, the representative/consultant must provide a certified copy of the document prior to being allowed access to confidential file information, subject to confirmation by the LRAS. The Refunds Section and district office should fax the certified resolution to LRAS for verification that the resolution meets all the administrative criteria required to authorize the representative/consultant. If the resolution does not meet the criteria, the representative/consultant should be advised that pending receipt of an acceptable resolution, access to confidential file material must be denied.

Questions regarding the validity of resolutions, or other resolution-related issues should be directed to LRAS.

REQUEST TO REVIEW TAXPAYER RECORDS

901.030

Requests for review of taxpayer records by jurisdiction representatives or their consultants should be forwarded to the Refunds Section for processing. The Refunds Section will verify that a valid resolution is on file and will order the requested files from the Taxpayer Records Unit for review. The Refunds Section will then review each file to locate and remove any non-disclosable material prior to presenting the file to the requester for review.

The representative/consultant will be required to complete a Form BOE-755, *Authorized Examination of Board Records*, for each file reviewed. The completed BOE-755 should detail the specific documents reviewed, including the time period of returns or other documents. Each completed BOE-755 will then be filed in the file of the account reviewed.

The Refunds Section shall provide space for the examination of files by the representative/consultant in an observable area. Upon request, the Refunds Section will also make copies of file material at no charge to the representative/consultant.

REQUEST FOR TAXPAYER INFORMATION AT DISTRICT OFFICE

901.040

Requests for information at the district office level by jurisdiction's representatives or consultants should be forwarded to either the District Principal Auditor (DPA) or the Principal Compliance Supervisor (DPCS). The DPA

COMPLIANCE POLICY AND PROCEDURES MANUAL

or DPCS will verify with LRAS that a valid resolution is on file. See 901.020 for guidance in situations where a jurisdiction is not listed in "Jurisdictions Having Resolutions." Audit or compliance staff who are contacted directly by a representative/consultant must inform and consult with the DPA or DPCS before acting on the request.

If the request concerns the examination of a district file, if such a file exists, a review of the district file must be made to locate and remove non-disclosable material prior to presenting the file to the requester for review. The representative/consultant shall only be given access to those district files of taxpayers with retail sales locations in or local tax allocated to the jurisdiction for which a valid resolution was passed. Care must be taken to ensure that the representative/consultant is given access only to district file information that pertain to the authorizing jurisdiction and not to any other jurisdiction.

The representative/consultant shall be required to complete a BOE-755 for each file reviewed. The completed BOE-755 should detail what specific documents were reviewed, including the time period of returns or dates of other documents.

The district office will provide space for the examination of files by the representative/consultant in an observable area. Upon request, the district office will also make copies of file material at no charge to the representative/consultant.

The original BOE-755, completed at the district level, should be sent to the taxpayer's file in headquarters. A copy of the BOE-755 may be filed in the taxpayer's district audit or regular file.

NON-DISCLOSABLE INFORMATION

901.050

"Non-Disclosable information" includes:

Memoranda to or from the Legal Division marked "Confidential: Attorney-Client Privilege." (Due to changes in Board policy in this area, not all documents are appropriately marked. If you question whether a document has been appropriately marked as confidential, or believe that a document should be so marked, contact the author of the document or the Legal Division for guidance.)

Memoranda directly related to litigation in which the Board is a party, including refund and collection actions.

Memoranda to or from the Attorney General's office when the Attorney General is acting as the Board's attorney.

Documents which relate to an ongoing criminal investigation.

Federal or state income tax returns.

Any information in the taxpayer's file that does not pertain to that taxpayer.

Internal memoranda, other than those specified above, are normally not to be regarded as confidential unless so marked. (Due to changes in Board policy in this area, not all documents are appropriately marked. If you question whether a document has been appropriately marked as confidential, or believe that a document should be so marked, contact the author of the document, the Board's Disclosure Officer in ISAD, or the Legal Division for guidance.)

INSPECTION OF TAXPAYER INFORMATION ON-SCREEN (IRIS\ACMS)

901.060

Some representatives/consultants have found it useful to view information concerning specific payments on-screen. If such a request is made, only Board employees should access the information and print out the information for the consultant. Under no circumstances should a representative/consultant be given access to the computer terminal. The representative/consultant will be required to complete a BOE-755 for each account accessed from the computer system by the Board employee.

MISCELLANEOUS

PROCESS FOR REVIEWING LOCAL TAX REALLOCATION INQUIRIES 905.000

SUBMITTING INQUIRIES 905.010

To expedite processing, requests should be submitted by the inquiring jurisdiction or consultant (IJC) on Form BOE-549-L, Claimed Incorrect Distribution of Local Tax- Long Form, or BOE-549-S, Claimed Incorrect Distribution of Local Tax- Short Form. All inquiries are to be sent directly to the Board's headquarters office, rather than to a district office. Inquiries should be mailed to:

Allocation Group

Board of Equalization

450 N Street, MIC 39

P.O. Box 942879

Sacramento, CA 94279-0039

ACKNOWLEDGMENT OF INQUIRY/DATE OF KNOWLEDGE 905.020

All inquiries will be acknowledged by the Allocation Group. They will be logged in by account number, jurisdiction (if known), and consultant firm (if any).

If the inquiry contains sufficient facts to indicate the probability of a misallocation, the date of knowledge will be the date the inquiry was received by the Board unless there is a prevailing earlier date established by a Board section or district office.

If the inquiry does not contain sufficient facts, and if the IJC has made a good faith effort to obtain sufficient facts but has been unable to do so, the IJC should include a letter with the inquiry, indicating what it has done to obtain those facts. If such a letter is provided and accepted, the Board may use the date the inquiry was received as the date of knowledge.

If the inquiry does not contain sufficient facts, it will be returned to the IJC with an explanation.

STAFF REVIEW 905.030

Inquiries accepted for investigation will be coded for type of misallocation and assigned to an auditor. Assignments may coincide with investigations handled by the Local Revenue Allocation Section. The auditor will attempt to resolve all inquiries through correspondence with taxpayers. If for some reason a satisfactory response cannot be obtained, the inquiry may be referred to the appropriate district office for action.

Whenever any action is taken, such as writing to the taxpayer for information, or if necessary, referring the inquiry to the district office, this action will be noted in the log with the appropriate follow-up date (45 days for taxpayers, 60 days for in-state district offices, and 90 days for out-of-state district offices).

A copy of any correspondence will be sent to the inquiring entity. The IJC should receive copies of correspondence within 90 days of acknowledgment of receipt of the inquiry. The follow-ups for each week will be distributed each Monday morning to the auditor for appropriate action.

NOTIFICATION OF RESULTS 905.040

After an inquiry has been reviewed, the inquiring entity will be notified of the results.

Approved Reallocations

If staff's investigation confirms a misallocation and the recommended reallocation is less than five thousand dollars, a fund transfer will be processed.

All recommended reallocations over five thousand dollars (\$5,000) must be approved by the auditor's supervisor. Reallocations based on inquiries over twenty-five thousand dollars (\$25,000) must be approved by the Refund

COMPLIANCE POLICY AND PROCEDURES MANUAL

Section Supervisor. Reallocations based on inquiries over fifty thousand dollars (\$50,000) must be approved by the Headquarters Operations Manager. Once the reallocation is approved at the appropriate level, the fund transfer will be processed.

A monthly recap of all approved reallocations will be maintained.

Denied Reallocations

If the auditor recommends that the reallocation request be denied, his or her supervisor will review the recommendation. If the supervisor upholds the denial, the IJC can request subsequent review by the Local Tax Hearing Auditor or by a Board Management team, as described below. The IJC can also ask the Members of the Board to review a denied inquiry, as described below.

If any previously denied request for reallocation is recommended for approval at any level prior to consideration by Board Management, that recommendation must be reviewed by the Board's legal staff. If the legal staff approves the recommendation, the reallocation will be processed.

Review by the Auditor's Supervisor

If the auditor determines that a misallocation has not occurred and recommends that a request for reallocation be denied, his or her supervisor will review the recommendation. If the supervisor agrees with the auditor's recommendation, the auditor will write to the IJC notifying it of the recommendation and allowing 30 days from the date of the letter to contact the supervisor to discuss the denial. It is important that the denial appeal letter submitted by IJC provide as much information as possible to assist in the review of the reallocation denials. If contacted by the IJC, the supervisor will again review the denial and any additional information provided by the IJC. The supervisor may uphold the denial, or, if deemed appropriate, order that additional investigation be done by the staff.

If the auditor's supervisor upholds the denial, the IJC will be advised in writing of the decision and that it has 30 days from the date of the written denial to file a "petition for reallocation" with the supervisor of the Refund Section. The petition for reallocation must contain the specific grounds on which the IJC is basing its appeal.

Review of the Petition for Reallocation

If a petition for reallocation is filed by the IJC, the supervisor of the Refund Section will review the request for reallocation and determine if any additional information is available that would warrant a reallocation adjustment. If no basis for adjustment is found, a summary analysis will be prepared detailing both the IJC and the Sales and Use Tax Department's (Department) positions. An appeal file will be created which contains all documentation related to the specific appeal. The Refund Section supervisor will review the summary analysis in conjunction with the documentation in the file. If the Refund Section supervisor concludes that the summary and documentation are complete, the petition for reallocation will be forwarded to the hearing auditor who will schedule a meeting with the IJC.

The IJC may, at its option, provide a written brief or additional information instead of attending a meeting. If a meeting is held, the hearing auditor will listen, entertain oral arguments, as well as review material presented by both the IJC and the Sales and Use Tax Department (SUTD). A written Decision and Recommendation (D&R) detailing the facts involved and the conclusions reached will be prepared. The D&R will be sent to the IJC and the SUTD.

If the recommendation in the D&R is to deny the petition, the IJC will have 30 days to file a written request for reconsideration (RFR) with the hearing auditor. Or, the IJC may file a written request for reconsideration of the denial by Board Management. If the IJC files a RFR, the hearing auditor will review any additional information received and issue a written decision. The decision will again give the IJC 30 days to file a written request for reconsideration of the denial by Board Management.

If the recommendation in the D&R is to grant the petition for reallocation, the SUTD will have 30 days in which to file a RFR. The hearing auditor will review any additional information the SUTD provides and issue a written decision. If either party's RFR is granted, the other party then has the right to file a RFR disputing the hearing auditor's findings.

MISCELLANEOUS

Review by Board Management

The final reconsideration by staff will be a review by a Board Management team consisting of the Executive Director, Chief Counsel, Assistant Chief Counsel for Sales and Use Taxes, and the Deputy Director of the Sales and Use Tax Department. The Board Management Team will only consider the facts as developed. The Board Management Team will not meet with the IJC. A written summary of the facts and conclusions will be prepared in writing and provided to the IJC and the SUTD.

Review by Members of the Board

An IJC may request any Board Member to bring its request for a reallocation to the Board's attention. If any of the Board Members wish to do so, they may request that the Board hear the matter. However, such a request must be approved by a majority vote of the Board Members.

TIME LIMITATIONS

905.050

To avoid unnecessary delays, an IJC will be limited to one extension of the time limit established for each level of review.

If staff fail to take action beyond acknowledgment on any inquiry for a period of six months, the IJC may request advancement to the next level of review. For the purpose of these procedures, action does not mean approving or denying the inquiry, but rather taking the steps necessary to investigate the inquiry.

By following the above time limits, any date of knowledge established by the original inquiry will remain intact even if additional supporting information is provided prior to closure. However, if the above time limits or any extensions which are granted are not met, or if closure has occurred, any additional supporting documentation submitted will establish a new date of knowledge as of the date of receipt of the new information.

APPEAL RIGHTS OF JURISDICTIONS THAT WILL LOSE REVENUE AS THE RESULT OF A REALLOCATION

905.060

If at any time during the process the Board's investigation determines that a misallocation has occurred, any jurisdiction that will lose 5% of its average quarterly allocation (12 month historical period) or \$50,000, whichever is less, will be informed of the decision and be allowed 30 days to contact the auditor's supervisor to discuss the proposed reallocation. The losing jurisdiction may follow the same appeals procedure as described in CPPM 905.040. The reallocation will be postponed until the period for the losing jurisdiction to request a hearing with the section supervisor has expired. If the losing jurisdiction contacts the auditor's supervisor and subsequently appeals the proposed reallocation, the postponement will be extended pending final outcome of the appeal.

There are times when Board staff becomes aware of a misallocation through independent means, such as an audit of a taxpayer. In these situations jurisdictions losing 5% or \$50,000, whichever is less, of its average quarterly allocation will be informed of the proposed reallocation, and if requested allowed 30 days to request a meeting with the section supervisor. These jurisdictions may follow the appeals procedure described in CPPM 905.040.

ACCOUNT FOLDER DESTRUCTION**910.000****HEADQUARTERS RESPONSIBILITY****910.010**

The [headquarters Taxpayer Records Unit requests the](#) Technology Services Division [to](#) produce a listing [that](#) represents all those accounts meeting the following criteria:

1. Process date of close-out at least 7 months old
2. No balance
3. No delinquency
4. No petition status or refund claims, [or active appeals cases](#)
5. No security
6. [No active legal claim](#)
7. [No Attorney General status](#)

Upon receiving the list, [the](#) headquarters Taxpayer Records [Unit \(Deletions\)](#) will review the files for pending legal actions and denial of claims for refund. If an account is clear the file is forwarded to the State Records Center for storage and scheduled destruction after [3](#) years. The file destruction date will appear on the registration record. If the account is not clear, a new [file destruction date](#) is established by [processing through the TAR SU screen](#). These accounts will come up on a new list from the Technology Services Division 7 months after the new [file destruction date](#).

[A report of the accounts sorted by district office is provided to the Taxpayer Records Unit who distributes the appropriate report to each field office.](#)

DISTRICT ACCOUNT FOLDER DESTRUCTION**910.020**

[Districts are authorized to destroy their account folders one year past the process date of close-out of the account if the account is clear. The review of closed-out accounts for balance, security, delinquency, petitions, pending legal action and claims for refund will be done by headquarters and is not to be duplicated by the field. Districts will review for all other items, such as pending audits, pending determinations, etc., and maintain a control record of all closed-out account folders retained after headquarters notification that the account is clear.](#)

DISTRICT PROCEDURE**910.030**

The [listing produced by the Technology Services Division](#) will be used by district office compliance personnel as a guide to pull the account files to be reviewed for destruction. The review will determine if recommended audits have been made and billed, and if any other activity remains on the account. The last audit report and audit working papers are to be placed in the successor file. Any prior audit reports and audit working papers should be [referred to the audit staff. The audit staff will review the account and, if there is no pending activity, ask the taxpayer if they wish to have the papers.](#)

If the district determines the account file is to be destroyed, the requirements set forth in the State Administrative Manual (SAM) must be followed. Those districts whose branch offices also maintain account files should use the [listing](#) as a means of notifying their branches of account folders to be destroyed.

When an account file is to be retained, it will be the district's responsibility to establish a control record which will bring the account file to its attention for subsequent review. The [listing](#), properly noted, may be used for a follow-up file of account records to be retained.

DISTRICT ACCOUNT FOLDERS DESTROYED IN ERROR**910.040**

The district will not duplicate the review made by the headquarters units.

If the district account file is destroyed and it is later found to be needed in whole or part, Taxpayer Records [Unit](#), upon request, can reconstruct the file up to 2 years from the date the district received the [list](#).

MISCELLANEOUS

SALES & USE TAX EXEMPTION FOR FOREIGN DIPLOMATS

930.000

GENERAL

930.010

Effective February 15, 1986, the U.S. Department of State began issuing Tax Exemption Cards to foreign diplomatic personnel who are exempt from sales and use tax. The sales and use tax exemption is granted on the basis of reciprocity with foreign governments and the Department of State grants tax immunity to diplomatic personnel of each foreign country only to the extent that the foreign country, in fact, grants immunity to U.S. diplomatic personnel. Many diplomatic personnel who enjoyed an exemption from sales and use taxes under the former program (in which cards were issued by the Board) have been denied immunity entirely. Many others are granted an exemption only for single transactions which exceed an amount stated on the card.

The purchase of a vehicle by a foreign consular officer who does not hold a Tax Exemption Card will be exempt from the sales and use taxes if an identification letter is furnished directly to the retailer by the Office of Foreign Missions, U.S. Department of State. Such letter must confirm the name, immune status, identification number, and date of assumption of duties of the diplomat seeking the exemption and must be furnished to the retailer at the time of the sale.

Retailers with questions which are outside the scope of Board responsibilities should be advised to write: Office of Foreign Missions, U.S. Department of State, Room 2442, Washington, DC 20520.

Reference: Regulation 1619

TAX EXEMPTION CARDS

930.020

Tax exemption cards issued by the U.S. State Department are laminated and prepared on press numbered stock. They are fraud resistant, tamper proof and nontransferable. Each card includes the name of the person to whom it is issued, personal identification information, a photograph, an expiration date, and a tax exemption number. The cards will specify either that the holder of the card is exempt from sales tax on all sales or that the holder of the card is exempt from sales tax only on transactions which exceed an amount stated on the card.

Some cards provide that the exemption applies only when the total of all items purchased in a single transaction (that is, on a single bill) exceeds a threshold amount of \$50, \$100, \$150, \$200, or some other amount. For example, if the tax exemption card is granted for a minimum level of exemption of \$50, as indicated on the card, the purchaser must purchase merchandise aggregating over \$50 in a single transaction to qualify for taxable and non-taxable merchandise, i.e., a sale of cigarettes for \$6 is exempt if sold together with \$45 non-taxable food products. Separate purchases in the same store will not qualify if the amount of each transaction does not exceed the amount indicated on the card, even though the combination of all individual purchases in that store may exceed that amount.

Mission Tax Exemption cards are subject to the same restrictions as individual cards. Moreover, mission cards may be used only for official purchases; they may not be used for individual, personal purchases.

The U.S. State Department will provide the Board with quarterly printouts of current card holders and will respond to telephone inquiries regarding the validity of cards issued in the interim on a routine basis. The printouts will be maintained in the Headquarters Program Planning Division, Special Projects Team. Any questions regarding the validity of a card should be directed to that unit.

TAIWAN DIPLOMATS TAX EXEMPTION CARDS

930.025

The United States' Taiwan Relations Act established a nonprofit corporation called the American Institute in Taiwan, which functions much like a foreign embassy. The Act also exempted the Institute from any taxes imposed by any state or local taxing authority. Pursuant to the Act, the United States Department of State issues a tax exemption card to members of the Institute.

Sales or use tax does not apply to the sale or use of personal property sold to Taiwan diplomats holding a tax exemption card, to the level of exemption stated on the card. Questions regarding the status of a tax exemption card of a Taiwan diplomat may be made by telephone to the American Institute in Taiwan at (703) 525-8474. The fax number is (703) 841-1385. The address is 1700 N. Moore St., 17th Floor, Arlington, VA 22209.

SUPPORTING DOCUMENTATION

930.030

To support the exemption, the retailer must prepare and retain an invoice or other written evidence of the sale and should enter the name of the purchaser, the number of the exemption card, the name of the foreign mission, the expiration date of the card, and the minimum level of exemption specified on the card, if any.

To support each transaction claimed as an exempt sale of a vehicle to a foreign diplomat not holding a Tax Exemption Card, the identification letter from the Office of Foreign Missions, U.S. Department of State, confirming the immune status of the diplomat must be retained by the retailer.

Retailers who have any questions regarding the identification of the bearer may ask to see additional forms of identification, such as Diplomatic ID, Driver's License, etc.

MISCELLANEOUS

STATE AND LOCAL BUSINESS LICENSE REQUIREMENTS

940.000

GENERAL

940.010

The State of California, Department of Commerce, Office of Small Business publishes a California License Handbook which lists all state agencies and the various licenses required by each. This handbook is available to the public at cost by writing to the above department. [Many State agencies also have Internet websites.](#) The following suggestions show the more common types of licenses and permits which may be required by the applicant in addition to the Board permit(s).

STATE BUSINESS LICENSES

940.020

1. Department of Alcoholic Beverage Control
Licenses the manufacture, sale, purchase, possession and transportation of alcoholic beverages within the State.
2. State Banking Department
Licenses all State chartered banks.
3. Board of Chiropractic Examiners
Licenses chiropractors.
4. Department of Conservation
Issues permits to oil, gas, or geothermal exploration and production firms.
5. Department of Consumer Affairs
 - a. Board of Architectural Examiners
Registers architects & building designers.
 - b. Athletic Commission
Licenses all clubs conducting boxing and wrestling shows.
 - c. Board of Behavioral Science Examiners
Licenses clinical social workers, marriage counselors, and educational psychologists.
 - d. Cemetery Board
Licenses cemeteries, cemetery brokers, and cemetery salesmen.
 - e. Contractors' State License Board
Licenses contractors and persons engaged in the home improvement industry.
 - f. Board of [Barbering and](#) Cosmetology
Licenses [barbers and](#) cosmetologists.
 - g. Board of Dental Examiners
Licenses dentists.
 - h. Board of Fabric Care
Licenses persons & firms engaged in the dry cleaning industry.
 - i. Board of Funeral Directors and Embalmers
Licenses funeral directors and embalmers.
 - j. Board of Guide Dogs for the Blind
Licenses schools and persons engaged in the training and supplying of guide dogs for the blind.
 - k. Board of Landscape Architects
Licenses landscape architects.
 - l. Board of Medical Quality Assurance
Licenses physicians and surgeons.
Licenses dispensing opticians.
Licenses hearing aid dispensers.
 - m. Board of Optometry
Licenses optometrists.
Accredits schools of optometry.
 - n. Bureau of Personnel Services

COMPLIANCE POLICY AND PROCEDURES MANUAL

- Licenses private employment agencies.
- Licenses modeling agencies.
- Licenses domestic agencies.
- Licenses babysitting agencies.
- o. Board of Pharmacy
 - Licenses pharmacists.
- p. Board of Registration for Professional Engineers
 - Registers professional engineers.
 - Licenses land surveyors.
- q. Board of Registered Nurses.
 - Accredits schools of nursing
- r. Structural Pest Control Board
 - Licenses persons engaged in the practice of structural pest control.
- s. Board of Examiners in Veterinary Medicine
 - Licenses veterinarians.
 - Registers all veterinary premises.
- 6. State Fire Marshal
 - Licenses businesses servicing portable fire extinguishers.
 - Licenses transport firms carrying flammable or combustible liquids in cargo tanks in excess of 120 gallons.
- 7. Department of Fish and Game
 - Licenses fishing and party boats.
 - Licenses commercial fishermen.
 - Licenses hunting and fishing guides.
 - Licenses hunting clubs.
- 8. Department of Food and Agriculture
 - Licenses feed manufacturers.
 - Licenses fertilizer manufacturers.
 - Licenses retail sellers of some livestock drugs.
 - Licenses horse meat and dog food dealers.
 - Licenses poultry slaughtering and processing plants.
 - Licenses milk product and processing plants.
 - Licenses persons engaged in pest control for hire.
 - Licenses pesticide dealers.
 - Licenses individuals involved with selling nursery stock.
- 9. Department of Forestry
 - Licenses timber or logging firms (including Christmas trees for commercial purposes).
- 10. Department of General Services (Small Business Office)
 - Licenses businesses wanting to sell to state or bid on state construction contracts under small business preference.
- 11. Department of Health Services
 - Licenses bottlers and distributors of bottled water and vending machines. (Food and Drug Branch)
 - Licenses hospitals and narcotic treatment.
- 12. California Horse Racing Board
 - Licenses race track operators.
- 13. Department of Housing and Community Development
 - Licenses dealers and distributors of mobilehomes.
- 14. Department of Motor Vehicles
 - Licenses dealers selling automobiles, trucks, recreational vehicles, motorcycles, trailers, and snowmobiles (new or used).
 - Licenses auto wreckers and auto body shops which dismantle vehicles.

MISCELLANEOUS

Licenses motor vehicle distributors.

Licenses firms transporting vehicles using state highways.

Licenses driving schools and instructors.

15. Board of Osteopathic Examiners

Licenses osteopaths.

16. Secretary of State

a. Filing articles of incorporation.

b. Trade name registration.

c. Trademark application.

LOCAL BUSINESS LICENSES

940.030

1. Sole Proprietors

a. City and/or county business license (business license section of city or county clerk).

b. Local law enforcement agencies (issue permits for dance, entertainment, etc.).

c. City or county health department (issues permits/clearances for businesses dealing in food products and also some health facilities).

2. Partnerships

a. Internal Revenue Service (issues required identification number).

b. Same requirements as sole proprietors.

3. Corporations

a. Same requirements as partnerships.